

CONSUMER NEWS



IPL

ELECT PLAN

Understanding
Your Billing
Options

Indiana
Office of
Utility
Consumer
Counselor



A Message from Indiana's Utility Consumer Counselor

The Elect Plan was proposed by Indianapolis Power and Light Company (IPL) under a law passed by the Indiana General Assembly giving the Indiana Utility Regulatory Commission (IURC) the ability to authorize alternative ways of providing utility services.

The Indiana Office of Utility Consumer Counselor (OUCC) is the statutorily created advocate for Indiana utility consumers. In fulfilling that role the OUCC reviewed and negotiated for improvements in IPL's plan. With these changes, the OUCC recommended to the IURC that it accept IPL's revised plan. The IURC accepted it on March 18, 1998.

The OUCC agreed to this plan in part because IPL pledged that customers who choose to remain subject to its standard, regulated rates would not be affected by Elect Plan participants.

Participants accept some risks in exchange for a set of benefits that are different under each pricing option. If you are willing to consider alternative ways of buying your electricity, carefully review IPL's proposal. It is important to determine whether the risks and benefits of any pricing option suits your personal situation.

The OUCC will continue to advocate on your behalf. We would like to hear your questions and comments about IPL's Elect Plan or other utility matters.

Anne E. Becker
Indiana Utility Consumer Counselor

What is the Elect Plan Program?

Indianapolis Power and Light Company (IPL) received permission from the Indiana Utility Regulatory Commission (IURC) in 1998 to offer three alternative billing methods under which a consumer may receive electric service. These three new options, collectively called the Elect Plan Program, are briefly described in this brochure along with some of their possible risks and benefits.

What is the OUCC's Role?

As the state's utility consumer advocate, the Indiana Office of Utility Consumer Counselor (OUCC) was involved in the approval of the Elect Plan Program and is providing this impartial information to help you to decide whether or not to enter into one of the Elect Plan contracts.

More detailed information can be found on our website at www.IN.gov/oucc or you may call us at the numbers listed on the back of this brochure. We encourage you to contact us with your questions, comments or concerns about the Elect Plan or other utility matters.

What If I Choose Not To Participate?

The Elect Plan Program is strictly voluntary. You may choose to participate under one of the options available, or you may elect to do nothing and receive electric service as you have in the past. The OUCC worked to ensure that all costs associated with the program will be borne either by the program's participants or the utility's shareholders. IPL's standard, regulated rates are not affected in any way by the Elect Plan Program.

How Will My Bill Be Determined If I Elect To Participate?

If you choose to participate in the Elect Plan Program, your electric bill will be determined according to the terms of a **binding contract** between IPL and you. The contract is an agreement that describes the type of billing option you have selected, the price, and the billing arrangement's length of time. The contract will be binding on both you and IPL. The reliability of your electric service will not be affected regardless of which pricing option you choose.

It is very important that you read and understand the contract before you sign it. Once a contract is signed, you will be obligated to honor all of its terms, just as IPL will be. Your ability to return to standard, regulated rates will also be set forth in the contract.

What Are The Billing Options? How Do They Work?

FIXED RATE OPTION

- IPL agrees to fix your rate (in cents per kilowatt hour) at the standard, regulated rate in effect at the time of the offer, minus a discount based on length of the contract (one or two years). All energy consumed during the contract period will be priced at that fixed rate.
- You accept the risk that the traditional regulated rates might decrease during the contract period. However, you may benefit if rates increase during your contract period.
- You cannot opt out of the program until your contract term expires.

SURE BILL OPTION

- IPL agrees to charge you a fixed dollar amount each month for your electric service, no matter how much electricity you use and without regard to changes in regulated electricity rates. Your fixed amount will be calculated by IPL based on an estimate of your usage and will be specified in your contract.
- In exchange for that certainty, you accept the risk that you will spend more than you would have under IPL's standard, regulated rates. This could occur if your actual electricity use is less than the estimated usage or if IPL's regulated rates decrease during your contract period. You will benefit if your actual usage is higher than the estimate (e.g., a hotter than normal summer) or if IPL's regulated rates increase.
- You may join this program for a **one year period of time**. IPL has the option of offering you a new contract at a different fixed monthly charge when your contract expires.

GREEN POWER OPTION

- IPL agrees to purchase environmentally friendly or "green" power to displace electricity that would otherwise be generated using more traditional sources, which may include coal, natural gas or nuclear fuels.
- You agree to pay more than the standard, regulated rate to fund the program.
- Not all of your needs will necessarily be generated from green power sources, and the sources of the power will be chosen by IPL based on availability and other factors.
- You may cancel your "green power" contract simply by contacting IPL. Cancellation will be effective at the end of the monthly billing period in which you call.

The Indiana Office of Utility Consumer Counselor (OUCC)

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency that represents the interests of all utility consumers and the public in matters related to the provision of electric, natural gas, telephone, water and sewer utilities in Indiana.

The OUCC is active in proceedings before regulatory agencies and courts, committed to giving consumers a voice in the creation of utility services policy, and available to respond to consumer questions and information needs with regard to utility services.

We Want To Hear From You!

If you have a question or concern regarding your electric, natural gas, telephone, water or sewer utility service, please let us know. We will make every effort to assist you, and your feedback will help us better serve other Indiana utility consumers. We welcome your input.

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